EXECUTIVE SECRETARIAT ROUTING SLIP

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	D/NESA/DI		X		
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	D/OCR/DI		X		
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	SUSPENSE				

Date

Remarks

D/NESA and D/OCR may be called upon for material to support Deputy Secretary of FYI:

State trip preparation.

3637 (10-81)

STAT



EXPEDITE

United States Department of State

Washington, D.C. 20520

Executive Registry

September 20, 1985

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MEMORANDUM TO:

D - Mr. Whitehead
P - Mr. Armacost
E - Mr. Wallis
T - Mr. Schneider
M - Mr. Spiers
C - Mr. Derwinski
AF - Mr. Crocker

ARA - Mr. Abrams
CA - Ms. Clark
EAP - Mr. Wolfowitz
EB - Mr. McMinn

EUR - Ms. Ridgway
H - Mr. Ball
HA - Mr. Mosar
INM - Mr. Thomas

INR - Mr. Abramowitz
IO - Mr. Newell

L - Mr. Sofaer

NEA - Mr. Murphy

OES - Mr. Negroponte

PA - Mr. Kalb

PM - Mr. Holmes
RP - Mr. Purcell
S/NP - Mr. Kennedy
S/P - Mr. Rodman

AID - Mr. Richard Mever

CIA - Wr. William LaSalle

SUBJECT:

STAT

Requirements for the Deputy Secretary's trip to South Asia, October 10-17, 1985

TRIP COORDINATOR:

Robert Peck, Room 6244, 632-1030

DEPUTY COORDINATOR:

Peter Tomsen, NEA, Room 5251, 632-2141

S/S-S ACTION OFFICER:

Keith A. Eddins, Room 7241, 632-8338

Glyn Davies (Alternate)

This memorandum assigns responsibilities for the preparation of briefing materials for use by Deputy Secretary Whitehead during his trip to South Asia. Bureaus wishing to suggest additions or changes to this tasker should contact the S/S-S Action Officer as soon as possible.

DCI EXEC REG

- I. COUNTRY SCOPE PAPERS: NEA should prepare scope papers, in the form of briefing memoranda from the Assistant Secretary (sample attached), for each country Mr. Whitehead will visit. The papers should address the following questions: 1) Where does our relationship stand? 2) What do we want to accomplish with this visit? 3) What does the country visited want from us? 4) What can we realistically hope to achieve? The papers should be cleared by P, S/P and other bureaus as appropriate. All scope papers are due in S/S-S by COB September 25.
- II. <u>SCHEDULE</u>: NEA should work closely with the Embassies involved to prepare an overall schedule for the trip for inclusion in the briefing book. This overall schedule should be kept as short as possible, without going into scenario-like detail. In addition, NEA should prepare annotated daily schedules for Mr. Whitehead's use. The schedules are due in S/S-S by COB September 30.
- III. BRIEFING MEMORANDA: NEA should prepare a briefing outline for each meeting scheduled. The briefing outlines should use the standard format (sample attached), and should be cleared with P, S/P, and other bureaus as appropriate. All briefing outlines are due in S/S-S by COB September 27. Meetings tentatively scheduled are:

India

- (1) Prime Minister Gandhi
- (2) Foreign Minister Bhandari

Bangladesh

- (3) President Ershad
- (4) Minister of Irrigation and Water Resources Mahmud
- (5) Foreign Secretary Choudhury

Nepal

- (6) King Birendra
- (7) Prime Minister Chand
- (8) Foreign Minister Subbha
- IV. FACT SHEETS: The following Fact Sheets should be prepared on State Department Briefing Paper (black top) letterhead. Fact Sheets should normally be one page in length, and must not exceed two pages (sample attached). They should be delivered as a complete package to S/S-S, with the required clearances (including at least DAS level in the drafting bureau), by COB September 26.

TOPI	<u>c</u>	DRAFT	CLEAR
Indi	<u>a</u>		
	Indo-US Commercial Relations	NEA	EB, PM, E, T
(2)	US-India Rupee Fund	NEA	ER. E

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(3)	Technology Transfer Issues	NEA	PM, S/NP, E, T
(4)		NEA	EB, E
(5)	Indo-US Narcotics Cooperation	INM	NEA
(6)	Sikh Terrorism	NEA	M/CTP, M, P
(7)	Indo-Pak Dialogue (including	NEA	S/NP, P
	nuclear issues)		• • -
(8)	Gandhi's Punjab Problem	NEA	P
(9)	Indo-Soviet Relations	NEA	EUR, INR, P
(10)	Domestic Economy	NEA	EB, E
(11)	Sri Lankan Communal Problem	NEA	INR, M/CTP, M
			, , , , , , , , , , , , , , , , , , , ,
Bang	gladesh		
(12)	Political Development/	NEA	INR, P
	Current Situation		
	Domestic Economy	NEA	EB, E
	US Economic Assistance	NEA	AID, EB, E
(15)	Textile Problems	EB	NEA, E
Nepa	<u>1</u>		
	Nepal's Political Development	NEA	INR
	Domestic Economy	NEA	EB
	US Military Assistance	PM	NEA, P, T
	Narcotics Control	INM	NEA
(20)	US Economic Assistance	NEA	AID, EB, E
Regi	onal Issues		
(21)	Couth Bain Basianal County		
	South Asia Regional Cooperation	NEA	EB, P, E
	Afghanistan	NEA	EUR, INR, P
	Multilateral Development Banks	EB	NEA, AID, IO, E
(24)	The China Factor	NEA	EAP, P

- V. CHIEFS OF MISSION CONFERENCE MATERIAL: For Mr. Whitehead's use at the South Asia COM conference, NEA should prepare a conference agenda, a list of participants, a biography of each COM, draft remarks, and any other pertinent information. This material should be delivered as a package to S/S-S by COB September 26.
- VI. PRESS POINTS: NEA should prepare separate Press Points for India, Bangladesh and Nepal. Press Points must not exceed one page in length, and should follow the standard format (sample attached). They must be cleared by S/P and PA and are due in S/S-S by COB September 30.
- VII. <u>PUBLIC STATEMENTS</u>: NEA should work with the Embassies involved to prepare any necessary public statements or toasts, and contingency arrival and departure statements for Mr. Whitehead's use. These should be double spaced on plain bond paper. Pages should not end in the middle of a sentence. Draft remarks should incorporate as much factual and substantive material as possible. They must be cleared with S/P and PA at a minimum, and are due in S/S-S by COB September 30.

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- 4 -

- VIII. ECONOMIC DATA SHEETS: NEA should prepare Economic Data Sheets for India, Bangladesh and Nepal. The data sheets are limited to one page (sample attached), and are due in S/S-S by COB September 30.
- IX. BACKGROUND NOTES: PA should provide Background Notes on India, Bangladesh and Nepal to the S/S-S action officer by COB September 25.
- X. BIOGRAPHIC MATERIAL: S/S-S will request appropriate biographic material. NEA should provide the S/S-S action officer with a list of significant Indian, Bangladeshi, and Nepalese officials Mr. Whitehead is likely to encounter by COB September 20.

NOTE: S/S-S requires the <u>original</u> and <u>one copy</u> of all papers requested. <u>Drafting and clearing information</u> should always appear on a <u>separate page</u>. Papers for the visit should be <u>delivered directly</u> to the S/S-S <u>action officer or duty officer</u>, and should <u>not be logged in</u> with S/S-I.

Nicholas Platt
Executive Secretary

Attachments:
As Stated

United States Department of State

Washington, D. C. 20520

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BRIEFING MEMORANDUM S/S

TO:

The Secretary

THROUGH: P - Mr. Armacost

FROM:

AF - Frank G. Wisner, Acting Faw (KMS)

SUBJECT:

Scope Paper for the Visit of Mozambican President

Samora Machel

I. **OBJECTIVES**

- To highlight our involvement in southern Africa.
- To encourage Mozambique to continue to move away from the Soviet crbit and towards a truly non-aligned position.
- To promote in the U.S. better understanding of Mozambique's new political direction.
- To encourage economic reform in Mozambique through cooperation with the IMF and World Bank.
- To reinforce Mozambique's commitment to detente in southern Africa and develop ways to engage it in our efforts to achieve a Namibia/Angola settlement.

To prod Mozambique toward a better record in the U.N.

Where Does Our Relationship Stand? II.

Our policy toward Mozambique remains a key success in the evolution of our southern African diplomacy. The Nkomati Accord, signed eighteen months ago between Mozambique and South Africa, has reduced cross-border violence in the region and induced additional cooperation between those two countries. Our own relations with Mozambique have continued to improve.

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President Machel has supported our negotiating efforts in southern Africa and he has continued to move Mozambique from its close alliance with the Soviets towards a position of more genuine non-alignment.

The security situation remains Mozambique's principal problem and seems to be intractable. While the government (GPRM) continues to hold the cities, Mozambican National Resistance (RENAMO) insurgents are active in many rural areas. A stalemate has developed along these lines with no end in sight. Neither side has shown much willingness to reach an agreement but the South Africans have begun a new round of trying to broker a settlement. Mozambique's reliance on Soviet bloc weaponry to pursue the war remains high.

Mozambique's economic situation is in crisis. The effects of the insurgency, recent drought and years of centralized economic mismanagement have caused a continuing decline in Mozambique's output. While Mozambique joined the World Bank and IMF in 1984, it has not yet shown the political resolve to face up to the economic reforms recommended by those institutions. We are prodding the Mozambicans to confront their economic realities and begin to take the economic reforms necessary.

We have pursued a hard headed policy of asking for -- and getting -- as much from Mozambique as we have given. To sustain U.S. policy and encourage Machel's movement towards moderation, we need to maintain our insistence on reciprocity; at the same time we must be credible with the Mozambicans. This means essentially the provision of economic assistance -- fortunately we were recently able to beat back Congressional efforts to prohibit FY-86 economic assistance to Mozambique. A Congressional ban on military assistance remains in effect, however. The ban has hurt us with the Mozambicans although we have made strong efforts to educate them about our constitutional division of powers.

Our policy has also been directed at burden-sharing with our allies and the South Africans. We have encouraged the South African Government to do as much as possible to support Machel. While there is some wariness on both sides, cooperation between the two countries has expanded in security, economic and other fields. We have also urged our major allies to increase their support for Mozambique. Virtually all have stepped up economic assistance; the U.K., Portugal and France are undertaking or considering forms of limited military assistance. The Chinese have reentered this field as well.

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From Mozambique itself, we have continued to expand our political dialogue and emphasize that we expect continued evidence of real policy movement. We have hammered away on UN issues, where we have achieved some progress but need to see more. We have also made it clear that we take very seriously the Mozambican pledge not to allow any military basing rights for the Soviets, to which the Mozambicans have adhered. As further evidence of evenhandedness, we have arranged for a resident Defense Attache in Maputo and are working on both a naval ship visit and

This visit offers opportunities to sustain the momentum we have achieved. Machel is charismatic and sets great stock by personal relations. We expect him to hit it off very well with the President. This can add significantly to our influence with Machel and encourage his moves towards moderation.

III. What Do We Want?

- -- Demonstrate to the Congress that Mozambique is no longer a Soviet client state, unworthy of U.S. assistance.
- -- Pin down practical understandings on how to sustain the Nkomati process and obtain Mozambican cooperation in our effort to achieve a Namibian/Angolan settlement.
 - -- Nudge the GPRM to negotiate with insurgents.

- -- Press the GPRM into greater cooperation with the international financial institutions and a serious economic reform program.
- -- Moderation of Mozambique's anti-U.S. votes in the United Nations.

IV. What Do They Want?

- -- Establish Mozambique on the U.S. political map and reduce conservative criticism.
 - -- Increased economic and military assistance.
 - -- Increased private investment.
 - -- Frank review of internal developments in South Africa.

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V. What Can We Achieve?

Machel is coming to the United States at a difficult time. The domestic debate raging on South Africa, and the intense feeling among some conservatives that we should not aid Mozambique, will make this visit a challenging one for the Mozambicans and for the Administration. A strong factor in our favor is Machel's personality which should stand him in good stead in meeting conservative audiences and communicating his interest in moving closer to the West. (Although he does not speak English, his interpreter is excellent at communicating the feeling as well as substance of Machel's remarks.)

Specifically from the visit we can expect to strengthen the President's image during this time of debate over southern Africa through his association with Machel, a widely recognized spokesman for African liberation. In return Machel should be able to improve his image here, especially with conservatives, and give us more room to maneuver as we pursue our policy toward Mozambique. A better congressional understanding of our relationship with Mozambique will help us sustain a flow of resources sufficient to underscore our credibility with Machel, his front line neighbors, South Africa and our allies. will also help to leverage the assistance provided by the South Africans and our allies, while gradually diminishing the influence of the Soviets and their allies. However, we must make sure the Mozambicans do not expect a dramatic increase in economic assistance as a result of this trip. We can further count on the visit to give us an opportunity to press Machel and his colleagues to face economic facts and design an economic reform strategy which will give Mozambique better prospects for stabilization and a cooperative relationship with the IMF and IBRD. At a minimum the Mozambicans will not leave Washington without understanding what they face.

Finally, this visit could set the stage for a somewhat improved voting record on key issues in the United Nations. However, given the fact that Mozambique still depends on the Soviets for security assistance, we should not be too optimistic.

The visit will lend support to our diplomacy in the region. We can expect no early breakthroughs in the negotiations between RENAMO and FRELIMO. We will probe Mozambican intentions and urge them toward a negotiated solution with the insurgents. However, we can expect to strengthen Machel's resolve to stick with his Nkomati undertakings. We can also look forward to working out practical arrangements for engaging Mozambican good offices in our negotiations with the Angolans.

SECRET DECL: OADR



United States Department of State

Washington, D. C. 20520

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BRIEFING MEMORANDUM S/S

SECRET

TO:

The Secretary

FROM:

AF - Chester A. Crocker Ch

SUBJECT:

Your Meeting with Mozambican President Samora Machel,

Wednesday, September 18, 2:15 PM

I. BILATERAL RELATIONS

- o Improvement made possible by concrete Mozambican actions:
 - -- Nkomati accord with South Africa, expulsion of ANC militants
 - -- cooperation on regional peace efforts
 - -- opening to West economically--joined IMF and IBRD, encouraged Western investment, readiness to cooperate in deep-cutting economic reforms
 - -- kept pledge not to allow Soviet bases
- o Points to make:
 - -- importance of using this visit to answer Mozambique's domestic critics
 - -- stress domestic criticism President faces and warn Machel to be frank, choose his words carefully and avoid traps of U.S. partisan politics
 - -- express pleasure progress we have made since 1982 when you met Foreign Minister Chissano; express your admiration for risks he took to achieve Nkomati. Both of us have made progress in disarming our domestic critics
 - -- state firmly our intention to work closely with Machel for a Namibia/Angola settlement, to influence a black political agenda in South Africa and to stabilize his country. Wish to use this visit to intensify ties - economic reform planning and are examples

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-- stress importance of dealing with symbolic irritants in our relationship - especially perception of Mozambican hostility in U.N.; closer consultations and cooperation required.

Mozambican agreement to a ship visit would also send the right signal.

II. REGIONAL ISSUES

- o Machel wants to help in Angola/Namibia negotiations
 - -- his interests are served by getting South Africans focussed on negotiations, not force
 - -- progress in Angola/Namibia context would give greater respectability to Nkomati
 - -- his advance team indicates Machel is ready to open doors for us in Luanda
- o Points to make:
 - -- appreciate your involvement in efforts secure regional security and get Namibian independence
 - -- believe discrete discussions between your representatives and those of Dos Santos could help pave way
 - -- have asked Chet Crocker to work closely with your people to design a practical agenda

III. SOUTH AFRICA AND SANCTIONS

- o Machel does not like sanctions
 - -- knows they will hurt his country
 - -- will probably say so when issue comes up
 - -- but faces political problem flatly opposing them
 - -- may say international community should not impose unless prepared help Mozambique and others offset the costs
 - -- may outline Front Line thinking on South Africa as a result of September 15 Maputo Summit

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o Points to make:

- -- President's decision on sanctions sends clear message to South Africans change needed now
- -- at same time keeps U.S. involved, gives us position use influence for reform
- -- President intends stay involved, wants to know leaders in region want it
- -- you will be pushed for position on sanctions, hotly debated U.S. domestic issue
- -- keep in mind sanctions which decrease U.S. influence will not help get change in South Africa
- -- more importantly, we will press SAG to reform but need Mozambican and responsible independent African thinking on how to shape a black South African response
- -- black posturing is not enough. Seek Machel's ideas as to how to organize a creative black response and steer negotiations. State we want to work with him, Kaunda and others.

IV. INSURGENCY IN MOZAMBIQUE

- o Machel faces dangerous, widespread insurgency
 - -- he refers to them as "armed bandits", claims only outside support keeps them going; in essence he knows he has a hard political problem and wants to get the upper hand on the battlefield before be negotiates
 - -- recurrent attacks on civilians and great damage to economic infrastructure
 - -- he wants our condemnation of what he sees as terrorist acts
 - -- neither government nor insurgents taking creative political steps to find peaceful solution
 - -- avoid giving impression we are pushing him prematurely into a negotiation or taking steps which will undercut his political position

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o Points to make:

- -- we are committed to seeking stability in Mozambique and want an end to violence there
- -- we make clear to SAG it must uphold its end of the Nkomati bargain and not allow its territory to be used
- -- more broadly we have energized Western governments to contribute to Mozambique
- -- that said peace in Mozambique will require statesmanship as well as strength
- -- encourage Machel to describe how he plans to proceed to end violence and bring his armed opponents back into the fold

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DEPARTMENT OF STATE

SAMPLE FACT SHEET

BRIEFING PAPER

U.S. ASSISTANCE AND CONGRESSIONAL ATTITUDES

I. Background

- O U.S. economic assistance to Mozambique (\$15m per year) has been directed primarily at encouraging private sector in agriculture.
- o In FY-86, the Administration requested a modest (\$3.15 military assistance program, which was specifically forbidden by both Houses of Congress in the authorization bill (FAA).
- o Final version of FAA allows military aid if Mozambique complies with strict conditions (free and fair elections by September 1986, reduction of foreign military advisers to 55, free press, commitment to human rights reform), which are unrealistic in the Mozambican context.

II. Current Congressional Attitudes

- Conservatives in both Houses label Machel's government as Marxist. They also cite Mozambique's UN voting record, its reliance on the Soviets, and alliance with the Eastern bloc as reasons for ban on military aid. Some view the Mozambican resistance (RENAMO) as "freedom fighters" committed to Machel's replacement by democratic government.
- o Administration attempts to convince key members that Machel is turning toward the West were unsuccessful.
- o Machel's visit to the U.S. could help in improving his reputation among conservatives, whom he will meet during his Washington stay.

III. Future Administration Efforts

- We will continue our economic assistance, and are working with Congress to explain Machel's increased openness toward the West. If the climate in Congress improves, we will reexamine the possibilities of making another effort to obtain a modest, non-lethal military assistance program.
- o Economic program for FY 86 also came under serious fire and was only saved with the help of moderate Republicans and Democrats.





Press Points: U.S. - Soviet Relations

Basic Message

U.S. policy towards USSR based on realism, strength, dialogue. Have sought to engage new Soviet leadership on broad, four-point agenda (arms control, regional issues, human rights, and bilateral issues). Reagan-Gorbachev meeting in November can give important impetus to this effort.

Our Objectives

- -- Want U.S.-Soviet relationship on more stable, productive footing.
- -- Our problems with USSR are numerous, deep. Will take time to overcome difficulties; Americans must be patient, determined.
- -- Must base our dealings on U.S. strength, understanding that relationship will be competitive, realistic recognition of possibility of Soviet actions abhorrent to us. Dialogue intended to contain, overcome problems.

Four-Point Agenda

- -- We want to move forward in four broad areas: arms control, regional issues, human rights, bilateral issues.
- -- Must speak honestly to Soviets about damage from propensity to use force, human rights abuses, non-compliance with arms control agreements.
- -- At the same time, want to make progress where this is possible. We're negotiating in Geneva and elsewhere on arms control. Are talking about regional problems, stressing Soviet need to live up to human rights commitments. Have made some progress on bilateral issues.

Reagan-Gorbachev Meeting

- -- November 19-20 Reagan-Gorbachev meeting important step in ongoing process.
- -- US wants meeting to set course for future. Specific agreements not essential for good meeting, but we are ready to make as much substantive progress as Soviets will allow.
- -- We'll do our part, but changes in Soviet policy essential for sustained progress in relationship.

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SAMPLE

	ECONOMIC DATA CHART - MOZAMBIQUE	Rev i sec	Revised 9/8/85			
		1981	1982	1983	1984 Est.	1985 Est.
1.	ECONOMIC INDICATORS:	,			65.	681.
	la. Population (mid-year, million)	12.10	12.40	12.80	13.10	13.50
	1b. Gross Domestic Product (\$ billion)(1)	2 31	2.27	1.93	2.02	2.03
	lc. Gross Domestic Product Per Capita(\$)(1)	191.00	183.00	151.00	154.00	150.00
2.	PISCAL INDICATORS					
	2a. Public Sector Revenues as percent of GI	P 25.4	32.6	33.7	10.0	
	2b. Public Sector Expenditures as percent	of GDP 38.4	39.2	49.2	29.0	25.9
	2c. Public Sector Balance as percent of GDE	-13.0	-6.6		39.9	42.0
	and the manufacture of the contract of the con	-13.0	-0.0	-15.5	-10.9	-16.1
3.	BALANCE OF PAYMENTS:					
	3a. Exports to U.S. (\$ million)	83.1	50.9			
	3b. Imports from U.S. (\$ million)	35.0	26.5	28.5	23.9	-
		33.0	20.5	20.0	22.5	
	3c. Total Exports (\$ million)	281.0	229.0	132.0		
	3d. Total Imports (\$ million)	801.0	836.0	636.0	95.0 539.0	110.0
		002.0	030.0	0.0.0	239.0	568.0
	3e. Merchandise Tr 'e Balince (\$ million)	-520.00	-607.0	-504.0	-444.0	450.0
	3f. Current Account Balance (\$ million)	-409.0	-497.0	-416.0	-310.0	-458.0 -398.0
_		,.	437.00	-410.0	-310.0	-398.0
4.	EXTERNAL DEBT					
	4a. Gross External Debt (\$ billion)	1.35	1.75	2.10	2.38	_
	4b. Gross External Debt per capita (\$)	112.00	141.00	164.00	182.00	-
	4C. Debt Service Paid (\$ billion)	345.00	390.00	133.00	102.00	-
	4d. Debt Service as percent of exports	122.00	170.00	101.00		-
•	4e. Gross Debt as percent of GDP	58.00	77.00	104.00	117.00	-
_		***************************************		104.00	117.00	-
5.	US BILATERAL AID, by fiscal Year			ø.		
	5a. Economic assistance (\$ million)	10.2	10.5	9.4	16.1	30.7
	5b. Military assistance (\$ million)	0.0	0.0	0.0		38.7
	• • • • • • • • • • • • • • • • • • • •		0.0	U.U	0.0	1.2

(1) Gur dara are derived and subject to distortion because of exchange rate fluctuations

